

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division  
Carrier Branch****RESOLUTION T-16658  
June 6, 2002****RESOLUTION**

RESOLUTION T-16658. PACIFIC BELL TELEPHONE COMPANY (U-1001-C). INTRODUCTION OF TOLL AND LONG DISTANCE AVAILABILITY LIMIT PLAN.

BY ADVICE LETTER (AL) NO. 22646, FILED ON FEBRUARY 1, 2002.

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**SUMMARY**

This Resolution approves Pacific Bell Telephone Company's (Pacific's) Toll and Long Distance Availability Limit Plan (the Plan). On February 1, 2002, Pacific filed AL 22646 to add the Plan to its Tariff Schedule Cal P.U.C. A2.1.6.C.4 (General Regulations on establishment of credit). Pacific claims that the primary purpose of the Plan is to manage its uncollectibles and to increase retained revenues lost when customers lose toll and long distance (toll<sup>1</sup>) service for non-payment of the entire outstanding toll balance. Basic Service will not be disconnected for non-payment of charges due for toll service. The Plan would restrict toll<sup>2</sup> to Pacific's own toll customers and to the toll customers of other carriers who have a billing and collection agreement with Pacific.

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<sup>1</sup> 'Toll' as used in this Resolution, includes all services that can be restricted as defined in Pacific's current tariff schedules A2.1.1, sheet 29 and A2.1.2.J.

<sup>2</sup> Current tariffs describe toll restriction at A2.1.1; sheet 29 as: "An exchange service that prohibits the completion of billable toll calls" and again at A2.1.2.J. as: "Access lines equipped with toll restriction will prohibit the completion of the following types of calls: Message Telecommunication Service (a.k.a Local Plus), Interexchange Toll Service including PIC, 10XXX and 950 access, 900/976 and 700 calls, 0-, 0+ and 0++ originating calls, collect calls and third number billed calls. The customer will not be able to use the Utility's calling card to place toll calls. Access to the toll network is not allowed and the customer agrees not to access the toll network by other available means. Toll Restriction will only be provided to the following types of service: Residence Flat Rate Service, Residence Measured Rate Service, Universal Lifeline Telephone Service and single line business service. Customers will continue to have access to the following types of calls: Local calls, Zone 1 and 2 (1+ local calls), 800 calls, 411 (directory assistance), 611 (repair), and 911 (emergency service). Toll Restriction will be provided where facilities and operating conditions permit. The customer with Toll Restriction will be responsible for the payment of all completed calls as set forth in Schedule Cal. P.U.C. No. A2.1.9. Rendering and Payment of Bills. It is the responsibility of the customer to inform the Utility of any failure of the service to perform as specified herein."

Pacific's current tariff schedule applies pre-defined toll limits to 'at-risk' customer accounts, - specifically to customers in classes R and U.<sup>3</sup> It also gives Pacific the option to restrict toll if these limits are exceeded. The Plan institutes a mechanized process designed to monitor and respond to these existing toll limits. Customers' toll usage is accumulated in a mechanized and automated process. When pre-defined limits are exceeded, further toll calling is restricted until a minimum payment is received. The Telecommunication Division's (TD's) review and recommended tariff modifications ensure that:

- The Plan is not unduly restrictive,
- The Plan gives customers adequate notice per Commission standards,
- The Plan complies with existing Commission rules on local disconnect policy,
- The Plan does not restrict service for non payment of disputed and unauthorized charges, and
- The Plan does not harm competition and ratepayer interests.

## **BACKGROUND**

The Plan is a mechanized process designed to monitor and respond to toll limits. The Plan is applicable only to certain 'at-risk' customer accounts. Toll and Long Distance Availability and Limits are conceptually similar to commercial credit card limits. A customer's toll usage is accumulated and when pre-defined limits are exceeded, further toll calling is restricted until a minimum payment is received. This is accomplished by using a mechanized system called TRIMS (Telecommunications Revenue Interactive Management System). TRIMS will track and accumulate all toll calls transmitted daily to Pacific from all carriers irrespective of whether they have a billing and collection agreement with Pacific. However Pacific will restrict toll calling only for its own services and on behalf of carriers who have a billing and collection agreement with Pacific.

Pacific claims that the Toll and Long Distance Availability Limit Plan is an identified best practice that has been in place in South Western Bell Telephone (SWBT) since 1997. Toll limitation was conceived at SWBT as a result of three primary factors:

1. Inter-exchange Carriers (IEC's) requesting "switch sensitive reaction" to high toll volumes,

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<sup>3</sup> The Plan applies only to 'at-risk' accounts or customer classes R and U. Pacific's current tariff schedule A.2.1.6.C.4.a. describes account classes R and U as having above average risk and unknown risk, respectively. The tariff explains that customers are classified into risk class 'R' or above average risk based on Pacific Bell credit behavior and according to an external credit bureau score where it is available. If there is no credit information available, the customers are classified in class 'U' with unknown risk. A written explanation of any customer class determination is provided to a customer upon request.

2. Growing uncollectibles due to toll fraud and customers' high usage situations,
3. The need to address risk customers more prudently

TRIMS was developed by SWBT and implemented in several phases in their five-state region from 1997 to 1999. Appendix C gives SWBT's implementation schedule in the five-state region and Pacific's tentative schedule for California. The primary purpose of the Plan is to manage the company's uncollectibles and to increase retained revenue by reducing the number of customers losing toll service for non-payment of the entire outstanding balance on toll service. In addition, Pacific believes the new process will offer more information sooner to both the customer and Pacific. This change will result in better control of telephone toll usage. In addition this process will enable Pacific to better manage its uncollectibles, and hence Pacific expects its net earnings to increase. SWBT has seen improvement in both these areas since the implementation of this process.

### **NOTICE/PROTESTS**

Pacific states that copies of AL No. 22646 and related tariff sheets were mailed to competing and adjacent utilities and/or other utilities, and interested parties, as requested. Notice of AL No. 22646 was published in the Commission Daily Calendar of February 6, 2002. No protests were received.

### **DISCUSSION**

Pacific filed AL No. 22646, to add the Toll and Long Distance Availability Plan to its Tariff Schedule Cal P.U.C. A2.1.6.C.4. TD initiated data requests and met with Pacific staff to ensure that the proposed Plan is not unduly restrictive. TD's review and recommendations ensure that:

- a) The Plan is not unduly restrictive
- b) The Plan complies with existing Commission Rules on local disconnect policy,
- c) The Plan affords customers adequate notice per Commission standards,
- d) The Plan does not penalize customers for unauthorized charges,
- e) The Plan is not anti-competitive, and
- f) The Plan is in the ratepayers' interest.

#### **a) The Plan is not unduly restrictive**

Pacific's current tariff makes provision for a special bill and payment notice. Such a notice is sent to 'at-risk' customers who exceed their toll limits. The customers have 7 days from the date of presentation of the written notice to pay the entire bill in order to prevent toll restriction from being implemented. The Plan authorized by this resolution

is somewhat more restrictive because it does not give the customer the 7-day window to pay the outstanding balance.

On the other hand, the Plan increases the toll limit or threshold for residential 'at-risk' customers from \$100 to \$200. Moreover, if the customer does not pay the entire balance but makes a minimum payment of \$50 (or 25% of the new threshold amount of \$200), toll restriction is not implemented. Since the customer is not required to pay the entire balance of the toll charges for restoration of toll service, it does not place undue hardship on the customer.

Furthermore, the customer is able to obtain better real-time information on his account, since TRIMS automatically tracks usage and updates the customer's current usage levels. If customers reach \$160 of toll, the system is designed to make two attempts to reach the customers via recorded messages informing them of their status. The customer also gets better control over the payment process through interactive voice response and 24-hour customer service. Customers always have access to their personal information and, in addition, always have access to a Customer Service Representative (CSR) to resolve disputes. A key feature of this system is that it operates on "real-time" basis, 24 hours a day, seven days a week. The system also will restrict an account from dialing (via notification to the Network switch) or receiving any calls (e.g. collect calls) which would cause the customer to incur further toll charges at any time of the day or night, 24 hours a day, seven days a week.

Another important point is that while 'at-risk' customers are in the TRIMS database, not all customers incur the toll threshold limit of \$200 or near that amount. Therefore the TRIMS system affects only those customers who are using high amounts of toll and those who have been identified as being 'at-risk'. Via an automated system, TRIMS will identify customers who require immediate and constant management versus those who can be handled by the normal/standard treatment process. Hence TD concludes that the Plan is not unduly restrictive.

**b) The Plan provides adequate notice to customers**

The objectives of the Commission's authorized Consumer Education Plan (Attachment C in Decision 00-03-020; March 2, 2000) are:

1. To ensure that Billing Telephone Companies consistently inform customers of third party billing dispute procedures and avenue for redress.
2. To ensure that Billing Telephone Companies consistently inform customers that local telephone service will not be disconnected for failure to pay non-local charges.

The Plan further specifies that, at a minimum, each Billing Telephone Company shall inform its residential and small business customers:

- That all erroneous, unauthorized, or questioned charges can be disputed
- Of the customers' recourse for disputed charges, including a Billing Telephone Company's authority to address the dispute, if any, as well as the Commission's complaint process
- Availability of any multi-lingual capabilities

Pacific's customer notices comply with Commission directives, educate customers on the Plan and provide warnings of approaching toll limits. The notices are explained briefly below and some illustrative notices are reproduced in Appendices A and B of this resolution.

1. Notification to existing customers: Pacific will send a letter (Appendix A) to customers currently identified as candidates for the Plan notifying them that they now have a threshold limit of \$200 for their toll and long distance charges. On the effective date, the system will begin to track all toll calls, regardless of whether it is billed by Pacific or by another interexchange carrier (IEC), as well as collect, third-party and calling card toll.
2. Notification to new customers: Pacific will send a letter to new customers, if they have been identified as being 'at-risk', confirming the order and apprising them of the Plan, in addition to the verbal disclosure at the time the order is taken. When dial tone is provided to the customer, the system will begin to track all toll as well as collect, third-party and calling card toll.
3. Notification to warn enrolled customers of approaching limits: All customers who have a toll and long distance availability limit will have language on their bills each month reminding them that they are subject to a toll and long distance availability limit. If customers reach \$160 of toll, the process is designed to make two attempts to reach the customer via recorded messages informing them of their status (Appendix B – Sample 1). If the customers reach the \$200 limit, the customers will receive a recorded message informing them that the limit has been reached. In addition, the customer will be informed of the steps needed to restore toll usage (Appendix B – Sample 2). If the customer pays the required amount to bring the toll charges within \$50 below the threshold, the system will restore the customer and send a recorded message advising of the restoration of service (Appendix B – Sample 3).
4. Notification to customers denied service: Denial Letters are currently sent to customers when their basic service is disconnected for reasons unrelated with toll service. These denial letters will have language that will advise the customers that they may be enrolled in the Plan once they get their basic service reconnected.

5. Notification to customers changing risk grades: Any customer, whose customer class is changed to 'at-risk', will receive the current re-grade letter with language explaining the toll and long distance availability limit.
6. Notification to customers apprising them of their current status: When a customer calls the Interactive Voice Response (IVR), it gives the customer the current usage, and if restricted, the amount needed to restore the toll account. This automated information is given prior to giving the customer the option to speak to a CSR.

All notices and messages in the Appendices to this Resolution are illustrative only and are not authorized by this Resolution. The six types of notices explained above will be finalized when Pacific files them with the Commission and obtains the Public Advisor's approval. Pacific claims that it has made available multilingual capabilities in the delivery of these notices, the IVR and also among CSRs. TD concludes that the notices submitted as part of the Plan and as generally illustrated in Appendices A and B provide adequate notice to customers per Commission requirements.

**c) The Plan complies with Commission rules on local disconnect policy**

P.U. Code Sections 779.2 and 2890(d) read together, and as interpreted in Commission Decision 00-03-020 released March 2, 2000, emphasize the discretion that the Commission has on local disconnect policy. The Commission has exercised this discretion by giving Pacific the authority to terminate local service to increase the efficiency of billing and collection services<sup>4</sup> (Decisions D.83-12-024; D.85-01-010 and D.85-06-115). The Commission restricted this authority given to Pacific by noting that:

*"Carriers of last resort may not disconnect basic service for non-payment of inter-exchange services"<sup>5</sup> (Decision D.00-03-020 as modified by D.00-11-015).*

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<sup>4</sup> "We should not have permitted Pacific to disconnect customers' local service for nonpayment of IECs' charges merely as a convenience to the IECs. Rather, we find that, as a means of limiting the need for local rate increases, it is fair for Pacific to extract revenues in excess of costs for the provision of a Bill Processing Service incorporating the local service termination procedure." Re Pacific Telephone and Telegraph Company, 18 CPUC 2d 133, 213-4 (D.85-06-115)

<sup>5</sup> "Carriers of Last Resort, as defined in D.96-10-066, shall file and serve advice letters that contain revised tariffs no later than 180 days after the effective date of this order that conform to the portions of this order eliminating such carriers' authority to disconnect basic residential and single line business, Flat Rate and/or Measured Rate service, as defined in D.96-10-066, Appendix B, page 5, for nonpayment of any charge other than nonpayment of non-recurring and recurring charges for basic residential and single line business, Flat Rate and Measured Rate service, including mandated surcharges and taxes calculated on same." (Decision 00-11-015, released on November 2, 2000 modifying O.P. 4 of Decision D.00-03-020)

The Commission also defined the terms ‘basic service and ‘inter-exchange service’ as follows:

- ‘Inter-exchange services’, in this context includes all inter-exchange services, such as intraLATA, interLATA, interstate and international, regardless of carrier class.
- ‘Basic service’ is defined in D.96-10-066, Appendix B, page 5

The Plan endorsed by this resolution does not disconnect basic service for non-payment of toll service. The customer will retain local dial tone as well as the ability to make emergency calls (911 service), 800 numbers and to contact local SBC numbers (411 & 611 services) even after toll and long distance service are restricted. In addition, the Plan only temporarily and very efficiently restricts toll and long distance service obviating the necessity for disconnecting the customer’s toll service. TD concludes that the Plan complies with Commission rules on local disconnect policy.

**d) The Plan does not penalize customers for unauthorized charges**

Finding of Fact No. 3 in Decision D.00-03-020 states that “Consumers are deeply frustrated and annoyed by the time and aggravation necessary to correct unauthorized charges.” The Plan endorsed by this resolution attempts to alleviate this problem. Each recorded message gives the customer the option of speaking to a CSR. The CSR will have the capability of offering the customer the option of payment by check or credit card. If there is a dispute on the bill, customers have the option of speaking to the CSR to make an adjustment to the outstanding amount. The rules to resolve bill disputes have been clarified in Pacific’s tariff schedules.<sup>6</sup> While amending these rules is outside the scope of this resolution, the Plan makes the dispute resolution process customer-friendly. The Plan gives the CSR the capability of manually restoring the customer while the dispute is being resolved. The customer also has recourse to the complaint processes at the Commission. The advance notices mailed by Pacific and reproduced in the Appendices to this Resolution also explain these options to the customer. TD concludes that the Plan does not penalize customers for unauthorized charges.

**e) The Plan is not anti-competitive**

Decision D.00-03-020 specifically mentions incumbent local exchange carriers (ILECs) offering long distance service:

*“Incumbent local exchange carriers that also provide long distance service present different questions. At this point in time, we find that the local exchange market is not sufficiently competitive to allow incumbent local exchange carriers that also provide interexchange service to disconnect local service for nonpayment of interexchange charges.”*

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<sup>6</sup> Pacific tariff schedule A2.1 (general rules and regulations), Rule Nos. 5, 9 and 10

IECs interconnecting with the ILEC have either a billing and collection agreement (as part of their interconnection agreement) with the ILEC or a direct-bill agreement with the customer.

The Plan is available to all IECs as part of Pacific's billing and collection agreement. The TRIMS system tracks all toll irrespective of a billing agreement. All 1+ and 0+ dialed calls are tracked in the switch at the time the customer places them. Collect calls received at the home, Third Number and Calling Card Calls made away from the home are tracked once they are received for billing. Once blocked, the customer can neither make 1+, 0+, 0- toll calls, nor receive collect calls, nor make calling card or third number calls. The system will restrict an account from dialing (via notification to the Network switch) or receiving any calls (e.g. collect calls) which would cause them to incur further toll at any time of the day or night, 24 hours a day, seven days a week. However, if the IEC notifies Pacific that it has a direct-bill agreement with the customer, a flag is placed on the account that tells the system to exclude any directly dialed toll associated to this customer's account through the IEC. In this case, the customer will not be restricted by TRIMS. In other words, the Plan would only apply to Pacific's own toll customers and to the toll customers of other carriers who have a billing and collection agreement with Pacific.

TD observes that IECs have the option of either direct-billing customers and imposing their own limits or availing themselves of Pacific's Plan through a billing and collection agreement. TD concludes that the Plan is not anti-competitive.

**f) The Plan is in the ratepayers' interest**

Pacific claims that the Toll and Long Distance Availability Plan would benefit all of its existing ratepayers through better management of uncollectibles. Pacific has projected substantial retained revenue<sup>7</sup> and uncollectible savings, beginning in fiscal year 2003. Pacific's projection is based on SWBT's savings. SWBT experienced a reduction of 6% of the non-payment disconnects (NPD's) in the 'at-risk' account classification in addition to a Net Bad Debt reduction of 8%. Overall, SWBT recognized a 10% reduction in disconnects for non-payment since toll limits were implemented. TD concludes that the proposed Plan is in ratepayer interest since it prevents a decrease in realized revenues due to a high uncollectible rate.<sup>8</sup>

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<sup>7</sup> The assumption around retained revenue is that a certain percentage of customers who today are disconnected for non-payment will, through the use of TRIMS, be able to manage their bill better and, therefore, remain on our network. The monthly revenue generated by each of these customers represents retained revenue.

<sup>8</sup> Pacific is regulated under the New Regulatory Framework or NRF through Decision D.89-10-031. By decision D.98-10-026, Pacific also took on the full risk of variations in rate of return upon suspension of sharing its excess earnings, if any, with ratepayers. However, Pacific may apply for rate relief if its intrastate rates of return are



### **Plan Summary**

The Plan is somewhat more restrictive because it does not give the customer the 7-day window to pay the outstanding balance. However, the threshold or toll limit has been increased from \$100 to \$200 for 'at-risk' residential customers. Furthermore, if the customer does not pay the entire balance but makes a minimum payment of \$50, toll restriction is not implemented. The Plan also gives real-time information to customers to better manage their accounts. If customers reach \$160 of toll charges, the TRIMS system informs customers of their status via recorded messages. For all the reasons stated above, the Plan is not unduly restrictive. To summarize, the key advantages of the Plan are as follows:

1. The Plan manages net bad debt of Pacific and is projected to result in substantial savings through better management of uncollectibles. The Plan also does not penalize customers for non-payment of unauthorized charges. Hence, the Plan is in the ratepayers' interest.
2. The Plan is not anti-competitive since it is available to IECs willing to sign billing and collection agreements with Pacific.
3. The Plan is in compliance with existing Commission rules on consumer education and local disconnect policy because it does not restrict or disconnect basic service and affords customers adequate notice per Commission standards.

### **Recommendations**

TD believes that the Toll and Long Distance Availability and Limit Plan is in the ratepayers' interest and complies with Commission rules. However, the level of detail and arguments that Pacific provided TD in response to data requests are not reflected in the proposed tariff language. TD recommends that the Commission make Pacific's request in AL No. 22646 subject to Pacific's clarifying the tariff by including the following in the description in paragraph (e) on Sheet 58 of Tariff Schedule Cal P.U.C. A2.1.6.C.4:

1. The Plan does not disconnect basic service as defined in D.96-10-066, Appendix B, and page 5. The customer will retain local dial tone as well as the ability to make emergency calls (911 service), 800 numbers and to contact local SBC numbers (411 & 611 services) even after toll and long distance service is restricted.
2. The toll and long distance threshold limit is \$200 for residential customers in classes R and U. Customers will get advance notice informing them of their status when their toll usage reaches \$160. The Plan will give customers adequate

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unreasonably low and fall below the benchmark rate of return. A high uncollectible rate may contribute to decrease in earnings and hence a decrease in intrastate rate of return.

notice per Commission requirements specified in Appendix C of Decision D.00-03-020.

3. The Plan provides customers with an option to speak to representatives when notification is received and dispute unauthorized charges and possibly waive restriction. Customer Service Representatives are available 24 hours a day, 7 days a week, 365 days a year.
4. The Plan is available to inter-exchange carriers willing to sign billing and collection agreements with Pacific. Toll services that can be restricted in the Plan are defined in Pacific's current tariff schedules A2.1.1, sheet 29 and A2.1.2.J. The Plan will not restrict any of these services for inter-exchange carriers who have a direct-billing agreement with customers and who inform Pacific of their direct-billing agreement.
5. The Plan will make available multilingual facilities to customers through notices, IVR announcements and multilingual CSRs

In view of the above discussion, we find TD's recommendations to be appropriate and reasonable. We will grant Pacific's request in AL No. 22646 contingent upon:

- a) Pacific filing an AL supplement to incorporate the five clarifications described above. This AL supplement is subject to TD approval,
- b) Pacific filing the six customer notices and receiving approval from the Public Advisor before distributing to customers.

Commission approval is based on the specifics of the AL and does not establish precedent for the contents of future filings or for Commission approval of similar requests.

The draft resolution of the Telecommunications Division in this matter was mailed to the parties in accordance with PU Code Section 311(g)(1). Comments were filed on (date) by (name of parties) and reply comments were filed on (date) by (name of parties). [disposition of comments/revisions to draft resolution]

## **FINDINGS**

1. The Plan is more restrictive because it does not give the customer the 7-day window to pay the outstanding balance.
2. If the customer does not pay the entire balance but makes a minimum payment of \$50, toll restriction is not implemented. Hence the Plan is not unduly restrictive. The Plan gives real-time information to customers to better manage their accounts.

3. The Plan also does not penalize customers for non-payment of unauthorized charges. The Plan affords customers the option to speak to CSRs 24 hours a day and on all days of the year, to dispute unauthorized charges and possibly waive restriction.
4. The Plan is not intended to restrict or disconnect basic service for non-payment of toll service charges. Toll services that can be restricted in the Plan are defined in Pacific's current tariff schedules A2.1.1, sheet 29 and A2.1.2.J.
5. The Plan affords customers adequate notice per Commission requirements and rules.
6. The Plan is not anti-competitive since it is available to carriers willing to sign billing and collection agreements with Pacific Bell. The Plan would only apply to Pacific's own toll customers and to the toll customers of other carriers who have a billing and collection agreement with Pacific.
7. Pending approval of the Toll and Long Distance Availability Limit Plan by the Commission and its implementation per the Planned schedule, Pacific has projected substantial savings through better management of retained revenue and uncollectibles beginning in fiscal year 2003.

**THEREFORE, IT IS ORDERED that:**

1. Pacific shall add the following statements to the description of the Plan in paragraph (e) on Sheet 58 of Tariff Schedule Cal P.U.C. A2.1.6.C.4:
  - a. The Plan does not disconnect basic service as defined in D.96-10-066, Appendix B, and page 5. The customer will retain local dial tone as well as the ability to make emergency calls (911 service), 800 numbers and to contact local SBC numbers (411 & 611 services) even after toll and long distance service is restricted.
  - b. The toll and long distance threshold limit is \$200 for residential customers in classes R and U. Customers will get advance notice informing them of their status when their toll usage reaches \$160. The Plan will give customers adequate notice per Commission requirements specified in Appendix C of Decision D.00-03-020.
  - c. The Plan provides customers with an option to speak to representatives when notification is received and dispute unauthorized charges and possibly waive restriction. Customer Service Representatives are available 24 hours a day, 7 days a week, 365 days a year.

- d. The Plan is available to inter-exchange carriers willing to sign billing and collection agreements with Pacific. Toll services that can be restricted in the Plan are defined in Pacific's current tariff schedules A2.1.1, sheet 29 and A2.1.2.J. The Plan will not restrict any of these services for inter-exchange carriers who have a direct-billing agreement with customers and who inform Pacific of their direct-billing agreement.
  - e. The Plan will make available multilingual facilities to customers through notices, IVR announcements and multilingual CSRs.
2. Pacific shall file revised tariff schedules by an advice letter supplement in compliance with Ordering Paragraph 1, above, within 10 days from the effective date of this resolution.
3. Pacific shall mail a notice to customers (Appendix A) it wishes to enroll in the Toll and Long Distance Availability Limit Plan within 45 days of the effective date of this resolution. All notices and messages in the Appendices to this Resolution are illustrative only and are not authorized by this Resolution. Pacific will file all the six types of notices described on pages 4 and 5 of this resolution within 10 days from the effective date of this resolution. These notices will be subject to review and approval by the Public Advisor's office.
4. The Advice Letter shall become effective 45 days from the effective date of this resolution, subject to TD's review and approval of Pacific's Advice Letter supplement filed in compliance with Ordering Paragraph 2, above and subject to the Public Advisor's approval of the notices filed in compliance with Ordering Paragraph 3, above.
5. Pacific's request in AL No. 22646 to add the Toll and Long Distance Availability Limit Plan to its Tariff Schedule Cal P.U.C. A2.1.6.C.4 is approved, subject to conditions in Ordering Paragraph 4, above. The tariff sheets, filed with Advice Letter No. 22646 and its supplement shall be marked to indicate approval by Resolution T-16658.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 6, 2002. The following Commissioners approved it:

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WESLEY M. FRANKLIN  
Executive Director

Appendix A  
Conversion Letter

Date  
Name  
Address  
City, State, Zip

Dear Customer:

Effective July 8, 2002 Pacific Bell is implementing a new toll and long distance availability limit Plan.

As is customary in most businesses, the amount of credit we extend to you is based upon the credit you have established. As of <date of deployment>, we are placing you on the toll and long distance availability limit Plan, which will limit the amount of toll and long distance charges you can incur to <Toll Availability limit>. You are being placed on this Plan because your credit <performance with us is unsatisfactory><history could not be verified>.

- Please note that this Plan will not affect your ability to make or receive local direct dialed calls and will not change your rates. Basic service will not be disconnected for non-payment of your toll and long distance bill.
- All erroneous and unauthorized charges can be disputed at the automated response system by calling <current number> 24 hours a day and talking to a Customer Services Representative.
- The Customer Services Representative has the authority to defer disputed charges and your toll and long distance service will not be restricted for non-payment of disputed charges.
- If you are unable to resolve the dispute, you may call the California Public Utilities Commission at 1-800-649-7570 and file an informal or formal complaint.
- Please call us at <current number> 24 hours a day to get this notice and/or ask questions in a language other than English.

**How the Plan works**

**If you are near the limit**

When your total toll charges are near your limit, you may receive an automated courtesy message reminding you of your toll and long distance availability limit. At any time, you may choose to make an advance payment to Pacific Bell Telephone Company to avoid the possibility of exceeding your limit. To ensure that you maintain full telephone service, we encourage you to check the status of your toll and long distance charges and make advance payments as necessary to keep your account below the limit.

**If you exceed the limit**

In the event you exceed your limit, the ability to make 1+ long distance and operator assisted calls and the ability to automatically complete directory assistance calls will be temporarily restricted. These

restrictions will remain in place until we receive a payment that is sufficient to bring your incurred toll and long distance charges down to at least \$50.00 below your toll and long distance availability limit. Your local service will continue as usual during this time, giving you the opportunity to receive calls and to make local and emergency 911 calls. If you are subscribing to a SBC Optional Calling Plan, the Plan will be removed while your service is restricted. The Plan will automatically be reinstated at no charge when the toll restriction is removed. This may affect package discounts.

**Checking the status of your toll charges**

The status of your current toll and long distance charges is available to you 24 hours a day through our automated response system by calling <current number>.

Should you have any questions concerning this Plan, please contact Pacific Bell Telephone Company at <Tel # of Residence Payment Center>.

Thank you for allowing us to serve you.

Sincerely,

SBC Pacific Bell Telephone Company Representative

Appendix B  
(Outbound messages)

**Sample 1-Warning**

This is a SBC Pacific Bell courtesy message. You are approaching your toll and long distance limit of < dollar amount - Toll Availability limit>. When reached, your ability to make toll and long distance calls will be interrupted. If you would like to speak to a Customer Service Representative (CSR) about your toll and long distance availability or make a payment with a representative by check or credit card, press 0. If additional information is required, you may call Pacific Bell at <1-8XX-XXX-XXXX>.

**Sample 2 - Restriction**

This is a SBC Pacific Bell courtesy message. You are currently unable to make toll or long distance calls because you have reached your toll and long distance availability limit. As of <date, time>, we will restore the toll and long distance portion of your service for a minimum payment of <dollar amount - to bring LD charges \$50 below Toll Availability limit>. If you would like to speak to a CSR about your toll and long distance availability or make a payment with a representative by check or credit card, press 0. You may call Pacific Bell at <1-8XX-XXX-XXXX>.

**Sample 3 - Restoration of service**

This is a SBC Pacific Bell courtesy message. We are in the process of restoring your Pacific Bell toll and long distance service now. We are also notifying your primary long distance company. If you would like to speak to a CSR about your toll and long distance availability, press 0. You may call Pacific Bell at <1-8XX-XXX-XXXX>.



Appendix C  
Implementation Schedule

The Plan was developed by SWBT and implemented in several phases in their five state region as follows:

- Oklahoma - January of 1997
- Kansas - September of 1997
- Texas - starting November of 1997 and finishing March of 1998
- Arkansas - March of 1998
- Missouri - March of 1999

Pacific has already made Plans for implementation and has proposed the following tentative deployment schedule.

**Southern California**

Affected Customers	Task	Date
213 Area Code SBC/Pacific Bell Custom	Mail Notifications	7/02
213 Area Code SBC/Pacific Bell Custom	Conversion	8/02
New customers in Southern CA	Conversion	8/02
All Southern CA SBC/Pacific Bell Customers	Mail Notifications	7/02 thru 8/02
All Southern CA SBC/Pacific Bell Customers	Conversion	9/02

**Northern California**

Affected Customers	Task	Date
New customers in Northern CA	Conversion	8/02
All Northern CA SBC/Pacific Bell Customers	Mail Notifications	8/02
All Northern CA SBC/Pacific Bell Customers	Conversion	10/02

STATE OF CALIFORNIA

GRAY DAVIS, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 6, 2002

TO: PARTIES IN PACIFIC BELL TELEPHONE COMPANY ADVICE  
LETTER 22646

Enclosed is draft resolution T-16658 of the Telecommunications Division. This will be on the agenda at the next regular Commission meeting, which is held at least 30 days after the above date. The Commission may then vote on the resolution, or it may postpone a vote until later.

When the Commission votes on a draft resolution, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding on the parties.

Parties to the proceeding may submit comments on the draft resolution. An original and 2 copies of the comments, with a certificate of service, should be submitted to:

Sridarshan Koundinya, PURA  
Telecommunications Division, Third Floor  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Parties may submit comments on the draft resolution within 14 days of its date of mailing. The date of submission is the date the comments are *received* by the Telecommunications Division. Parties must serve a copy of their comments on all persons on the service list attached to the draft resolution, on the same date that the comments are submitted to the Telecommunications Division.

Comments shall be limited to 5 pages in length, plus a subject index listing the recommended changes to the draft resolution, a table of authorities and an appendix setting forth proposed findings and ordering paragraphs.

Comments shall focus on factual, legal, or technical errors in the proposed resolution. Comments, which merely reargue positions taken in the advice letter or protests, will be accorded no weight and should not be submitted.

Late-submitted comments will ordinarily be rejected. However, in extraordinary circumstances, a request for leave to submit comments late may be filed together with the proposed comments. An accompanying declaration under penalty of perjury shall be submitted setting forth all the reasons for the late submission.

Replies to comments may be submitted 5 days after comments are submitted and shall be limited to identifying misrepresentations of law, fact, or condition of the record contained in the comments of other parties. Replies shall not exceed three pages in length and shall be submitted and served in the same manner as comments.

Sridarshan Koundinya, PURA  
Telecommunications Division

Enclosures (Draft Resolution, Certificate of Service)

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of Draft Resolution T-16626 on all parties in this filing or their attorneys as shown on the attached list.

Dated May 6, 2002 at San Francisco, California.

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Sridarshan Koundinya

**N O T I C E**

Parties should notify the Telecommunications Division, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.